

OFFICE OF ENERGY INDEPENDENCE

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

ROYA STANLEY, DIRECTOR

State Energy Council
Friday, March 7, 2008
Meeting Minutes
Kennedy Conference Room - Capitol Building
Des Moines, Iowa

Attendees: Karen Merrick, Bill Brand, Stuart Crine, John Perkins, Tom Shepherd, Joan Conrad, Mike Coveyou, Lee Wilkinson (by phone), Sharon Tahtinen, Bob Mulqueen, Roya Stanley and Michelle Bauer.

Guests: Joe O'Hern and Carla Pope

Business

Karen Merrick, IDED: When you have business people reviewing other business' applications there needs to be a process. Tram will work on that.

Roya Stanley, OEI:

- Power Fund Due Diligence Committee will review the final batch of the first 79 pre-apps on Tuesday, then a true up.
- Full Power Fund Board meets Wednesday.
- Goal for Wednesday afternoon is to send a full application form to the "yes" or "yes, if" camps.
- Due Diligence Committee still has questions regarding some of the pre-apps and would like to have those questions answered in the full application.
- We will also be considering loan guarantees, maybe IDED will have some input as they have worked with loan guarantees.
- With a loan guarantee more money can be leveraged.

Introduction of Joe O'Hern, Director of Housing Iowa at the Iowa Finance Authority and
Carla Pope, Director of Affordable Rent Production

Joe O'Hern, IFA:

- Finance Authority leverages bonds for first time homebuyers in the state.
- Energy efficiency program operating in conjunction with investor owned utilities.
- Utilities offer ½ million dollars of rebates for energy measures at IFA projects.
- IFA looked at portfolio of low income house tax credit projects financed years ago, that might be in need of rehabilitation and energy efficiency measures. IFA also looked at some HUD projects.
- The utility does an efficiency audit of the project and makes recommendations then project owner can take advantage of recommendations and the utility rebates.
- 3 categories of utility assistance:
 - 1) free measures, utilities will supply materials if project owner will install (light bulb, insulation, water heater wrap if owner installs
 - 2) air-conditioners and furnaces. Audit showed repayment would occur over life of items
 - 3) items that help energy efficiency but the payback extends beyond the life of the installed item.

- Utilities are pleased with how program has worked.
- Audits on over 100 projects
- Very good response on free and low cost items.
- Feel there is a good return on the time and energy that has gone into the program.
- Trying to capture the information that would allow for decisions on how to improve the program. Projects operate under a lot of rules and regulations, primary issue is restricted on amount of rent can be charged, and capitol isn't available to acquire the new furnace or AC. Plus, the tenant pays the utility bill so the owner doesn't see the benefit of installing new furnace/AC.

Carla Pope, IFA

- Low income housing tax credit program
- Fund about 60 million dollars of projects each year
- Rehabilitate existing projects, usually late 80's early 90s.
- When refinancing projects, IFA requires at least \$10,000 of rehab for each project and looks at efficiency measures as part of that rehab.
- New construction, energy efficiency measures are also considered.
- Last 5-7 years there has been much more focus on energy efficiency.
- Focus on benefiting low income tenant. The utility allowance does not always cover the cost. So energy efficiency is considered a benefit.
- Minimum construction requirements:
 - 2006 International Energy Conservation Code
 - Air infiltration barrier
 - Building wrap required on all new siding applications
 - Insulated exterior entry doors
- Extra money for green building
- Competitive Points: Energy efficient window coverings (increase efficiency by R-value of 2 or 3); insulation (construction that exceed IECC minimum standards); "Raised heel" type energy roof truss providing full attic insulation values to outside of edge of wall; forced air gas heating system in excess of 92% efficiency and sealing of all ducts; building level high efficiency boiler heating system 89% AFUE or greater; geothermal heat pump wind or solar energy, or other nontraditional heating; central air unit with SEER of 13 or higher; Through wall unit with EER meeting Energy Star ratings

Legislation

- Gov's energy bill will probably be re-referred to House Commerce
- Sharon: Energy bank cost recovery bill still lives
- HSB 742, assuming it is not re-referred to Commerce and goes straight to House floor, how do we keep it alive?
- Karen: Focus on the good economic impact (jobs, educated workers) that comes from innovation used to meet energy goals.

Next meeting Friday, March 21, 2008, 9:00 am – 10:00 am. Kennedy Conf. Room

Adjourn